

COINAGE OF \$1 GOLD PIECES.

MARCH 23, 1844.

Read, and laid upon the table.

Mr. McKAY, from the Committee of Ways and Means, made the following

REPORT :

*The Committee of Ways and Means, to whom it was referred to inquire into the expediency of providing by law for the coining of one-dollar gold pieces at the United States mint and its branches, report :*

That they have had the subject referred to them by said resolution under consideration, and have come to the conclusion that it is inexpedient to authorize the coinage of the coin mentioned in said resolution.

The principal reasons which have led them to this result, are set forth in the communications, hereto annexed, from the director of the mint at Philadelphia, and which the committee have adopted as a part of their report.

MINT OF THE UNITED STATES, January 12, 1844.

DEAR SIR: I have the honor to acknowledge the receipt of your letter of yesterday, calling my attention to a resolution instructing the Committee of Ways and Means to inquire into the expediency of coining one-dollar gold pieces at the United States mint and its branches.

As one of the elements on which your judgment is to be formed, I have ordered a few gold dollars to be struck as specimens, which I hope to be able to send to you in a few days. I will, at the same time, present my views on the subject, as you desire.

Very respectfully, your faithful servant,

R. M. PATTERSON, *Director.*

Hon. J. J. McKAY,

*Chairman Committee of Ways and Means.*

MINT OF THE UNITED STATES,

*Philadelphia, January 20, 1844.*

SIR: I have already had the honor to acknowledge the receipt of your letter of the 11th inst., asking me to communicate my views to the Committee of Ways and Means, with regard to the coinage contemplated in the following resolution of the House of Representatives:

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"*Resolved*, That the Committee of Ways and Means be instructed to inquire into the expediency of providing by law for the coining of one-dollar gold pieces at the United States mint and its branches; and that they report by bill or otherwise."

I now proceed to comply with your request, by presenting the following remarks on the subject of the proposed coinage.

In favor of the introduction of the gold dollar, I know of but one argument, namely—that, being sixteen times lighter than the silver dollar, it will be more portable, and less cumbersome. The value of these advantages can be readily estimated, and a judgment may therefore be formed whether they are such as to outweigh the disadvantages which would be presented by the new coinage.

One of the most obvious of these is presented by the fact, that the size of the gold dollar is *too* diminutive. Gold being more valuable than silver in the proportion of 16 to 1, and heavier in the proportion of 27 to 16, the volumes of corresponding values of these metals will be as 1 to 27. Hence the dollar of gold will be but one-twenty-seventh of the size of the dollar of silver, or will be nearly one-third less than the half dime—the smallest piece of our present coinage. Such a coin would be very liable to be lost; and, having a greater surface than any other, in proportion to its value, would be more reduced by wear, which is a cause of great waste in all metallic circulation, and particularly in so precious a metal as gold.

Another objection is, that the dollar has already its representative in silver; and certainly any sum less than the quarter eagle can be carried in silver without inconvenience. It would seem to be desirable that, in our metallic currency, the larger sums should be paid in gold, and the smaller ones in silver. Yet, in point of fact, silver coins are used even for the largest payments; and it is not likely, therefore, that gold could be introduced for small amounts, where its less weight is by no means so important.

If the gold dollar be introduced, it must, of course, be as a substitute for the same amount of silver. It becomes a question of importance, therefore, whether the proportions of these two metals in the country are such as to allow of this substitution. Now, the best evidence that we can resort to, in this inquiry, is presented by the relative quantities which have been coined in the United States; and these are \$39,125,688 of gold, and \$62,384,685 of silver. It appears, therefore, that the amount of silver, in value, is nearly double that of gold.

The experience of the mint shows that the small gold coins are not so much desired by the community as those of a larger size. Of the thirty-nine millions of gold coinage, but little more than four millions was in quarter-eagles. The Treasury Department has, at different periods, given instructions to confine the gold coinage to quarter-eagles, as far as this could be done consistently with the law, which requires that "in the denominations of coins delivered, the wishes of the depositor shall be complied with, unless when impracticable or inconvenient to do so." Still, the proportion of this coinage was small, because the depositors expressed a preference for eagles and half eagles.

In considering the expediency of the proposed innovation in our coinage, it is natural to look to the present practice of those countries which issue the largest amounts of gold. At the head of these is England; and its smallest gold coin is the half-sovereign, worth \$2 42 in our own money. In France, the smallest gold coin is the twenty-franc piece, worth \$3 84.

Russia, which is a gold producing country, has no coin of this metal less than the three-rouble piece, worth \$2 39. The ducat, coined in Austria, Southern Germany, the Netherlands, and Sweden, is worth about \$2 25; the five guilder piece of the Netherlands, \$2 00; and the ten lire piece of Sardinia, \$1 92. In Spanish America, the favorite gold coin is the doubloon, worth about \$15 55; though the quarter, and even the eighth, are not uncommon. It appears, then, that in those countries whose example may command respect, the minimum for gold coins is not very different from our own. Exceptions are presented, however, by Spain, and, to a slight extent, by Colombia, where sixteenths of the doubloon, or "gold dollars" are in use. In Spain, these pieces are placed on a par with the pillar dollars, as a legal tender; though, even at our own high valuation of gold, they are worth but about 97 cents. It is not to be wondered at, therefore, that they should be kept in circulation, though no gold piece of this value has been coined in Spain for more than twenty years.

It is worthy of particular note, that the issuing of small gold coins, after being introduced in several countries, has been abandoned by them. The experiment was twice tried in Great Britain. In 1762, the quarter-guinea (worth \$1 27) was introduced; but it was found so inconvenient, that orders were given to collect the pieces as they came into the bank, to be melted down; and now very few specimens remain. Another trial was of the one-third guinea, or seven shilling piece, (\$1 69,) which was issued in 1806, and from that date until 1813. It was discontinued upon the enactment of the new coinage law of 1816, which provides for no gold coin less than the half-sovereign. Russia formerly issued roubles, (75 cents,) and even half-roubles (37½ cents) in gold; but for many years there has been no gold coin used in that country less than the three rouble piece. In Portugal, gold dollar pieces were formerly in general circulation; but it was found expedient by the Government to call them in, and the smallest gold piece now coined is the half-crown, worth \$2 90.

The question of a gold dollar coinage was agitated in Congress in the session of 1835-'36; but its introduction was not then deemed expedient. On that occasion I caused specimens of such coins to be made at the mint, and I now send some pieces to the committee struck from the same dies.

In answer to the question asked in your letter of the 17th inst., I have to state that the proposed coinage, if ordered, would not require any additions to the machinery at the mints, except such as could be made by our own workmen, at a moderate expense.

Very respectfully, your faithful servant,

R. M. PATTERSON, *Director.*

HON. JAMES J. MCKAY,

*Chairman of Committee of Ways and Means.*

MINT OF THE UNITED STATES, *January 23, 1844.*

DEAR SIR: Among the objections which I presented in my letter of the 20th, against the introduction of gold dollars, I might have mentioned their peculiar liability to be counterfeited. They are so light and so small, that the most important of the sensible tests of gold—its great specific gravity—is by no means so available as in the coins now used. In proof of this fact, I send you the enclosed pieces, which are of silver, gilt by the electro-

type process. They are rigidly of the same size as the true gold pieces already sent. If they had been made a little thicker, it would have been still more difficult to distinguish them from the legitimate coins.

Very respectfully, your faithful servant,

R. M. PATTERSON.

Hon. JAMES J. MCKAY,

*Chairman of Committee of Ways and Means.*